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IN THE

Supreme Court of the United States

OCTOBER TERM, 1964

No. 367

AMP INCORPORATED,
Petitioner,

v.

BURNDY CORPORATION and
ARROWCRAFT ELECTRIC SUPPLY CO.,
Respondents.

REPLY BRIEF FOR PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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Respondents urge that the Petition for Writ of Certiorari should be denied on the grounds:

(1) that this case does not involve the interpretation of 35 U. S. C. § 103;

(2) that there is no conflict between circuits as to the interpretation of 35 U. S. C. § 103;

(3) that this case is of no general importance; and

(4) that petitioner is wrong as to the merits of the case.

Respondents are *clearly wrong* on all four points.

1. 35 U. S. C. § 103 is necessarily involved in this case.

At page 11 of their Brief, respondents state:

> "The standard of patentable invention, as set forth in § 103 of Title 35, is not in issue here."

That statement is palpably incorrect. There are only two sections in the entire patent code under which a federal court is empowered to rule a patent invalid on the ground of prior art. The first of these two, Section 102, relates to "anticipation," or identical disclosure of the complete invention by a single prior patent, publication, invention, knowledge or use. That statute is admittedly inapplicable here, because the closest prior art, the Smith patent, does not disclose the complete combination recited in the claims, as the Court of Appeals recognized,[1] and as respondents concede.[2]

Thus, the *only* section under which the Court of Appeals *could have* held the patent invalid is Section 103.

At page 6 of their Brief, respondents attempt to make capital of the fact that Section 103 "was not even mentioned by the Court of Appeals below."

However, the failure of the Court of Appeals to mention Section 103 does not mean that its decision did not involve that section, nor that the correctness of that decision can be determined in any way other than by comparing the standard of invention applied by the Court with that established by Congress in Section 103.

Indeed, the fact that the Court of Appeals did not mention Section 103 is mute but eloquent evidence that,

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[1] A-20.

[2] Brief for Respondents, p. 4.

as the Petition suggests, the Court of Appeals for the Third Circuit has been and still is determining the issue of patentable invention not on the basis of the standard established by Congress, but on some harsher though ill-defined standard of its own creation.

2. Respondents do not deny that a conflict exists as to the interpretation of 35 U. S. C. § 103.

On pages 9 to 11 of their Brief, respondents argue that there is no conflict between the Courts of Appeals of the various circuits as to the rule of law which was actually applied by the Third Circuit in the present case. That argument is based upon the fact that the Court of Appeals in its Opinion cited *Hotchkiss* v. *Greenwood*.[3] However, that citation is a perfect example of what Judge Learned Hand referred to in *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. (2d) 530, 536, (C. A. 2d, 1955) when he said that the standard of invention originally promulgated by the Supreme Court in *Hotchkiss* v. *Greenwood*, is still given "lip service".

Respondents do not and cannot deny that, as pointed out at pages 5 to 9 of the Petition, there *is* a conflict between the rulings of the First, Third, Fourth, Fifth, Sixth and Seventh Circuits that 35 U. S. C. § 103 was merely a "codification" of the standard of invention which was in effect at the time of enactment of the 1952 Patent Act, and the rule of the Second and District of Columbia Circuits that Congress, by its enactment of Section 103, intended to reestablish the standard of in-

[3] A-28.

vention originally announced by the Supreme Court in *Hotchkiss* v. *Greenwood.*

At page 6 of their Brief, respondents question the implication "that some change occurred" in the standard of invention between 1850, when *Hotchkiss* v. *Greenwood* was decided, and 1952, when Section 103 was enacted. That there was such a change is undeniable. As Judge Learned Hand stated in *Reiner et al.* v. *I. Leon & Co.*, 285 F. (2d) 501, 503 (C. A. 2d, 1960):

> "There can be no doubt that the Act of 1952 meant to change the slow but steady drift of judicial decision that had been hostile to patents . . ."

Respondents also do not and cannot deny that the conflict among the various circuits as to the interpretation of Section 103 has produced extreme differences in the attitudes of the various Courts of Appeals toward patents. Instead, at pages 7 and 8 of their Brief, respondents merely attempt to belittle the statistics set forth on pages 9 and 10 of the Petition as representing only a "fantastically small" statistical sample. The thrust of respondents' argument is that there were almost 900,000 patents in force at some time during the past six years, while only 31 patents (or 1 300th of one percent) were held invalid by the Court of Appeals for the Third Circuit. It is obviously immaterial how many patents there were in all. The only ones relevant here are those which were involved in litigation.

The statistics set forth in the Petition include *every* patent infringement case which has been decided by the Court of Appeals for the Third Circuit in the past six

years, and *every* such case decided by the other Courts of Appeals for the other circuits in the last five years. And these statistics undeniably show that during this entire period the regular judges of the Court of Appeals for the Third Circuit have held invalid or unenforceable *every one* of the 36 patents before them, while other circuits were holding as many as 83% of the patents before them valid.

Respondents also criticize the failure to carry the statistics back to include an earlier period. However, the issue here is not what the Courts might have been doing at some time in the past, when different judges sat on the Courts, but what they are doing *now*.

Finally, on page 8 of their Brief, respondents challenge the statistical approach altogether by saying that "each patent is *sui generis*", and that "each has its own attributes and its own weaknesses." That fact is obvious. But when the judges of one Court of Appeals have given *exactly the same treatment* to the last thirty-one patents on whose validity they have ruled, one might well wonder whether they are giving due recognition to that fact.

3. The matter here is of great general interest and public importance.

Congress has recognized, by its enactment of the patent laws, that the nation's technological progress is furthered by the incentive which patents afford, and that the enforcement of valid patents is therefore in the public interest. The conflict among the several Courts of Appeals as to the interpretation of the most important single section of the Patent Act—defining

those inventions which are entitled to patent protection and those which are not—is therefore a matter of unquestionable public interest, and it is obviously important that this Court grant certiorari to resolve that conflict.

At page 9 of their Brief, respondents argue that petitioner's discussion of the record of the Court of Appeals for the Third Circuit in other patent cases is irrelevant because "petitioner has no standing to request this Court to rectify possible *past* errors of the Third Circuit *in other cases*."

Respondents themselves have furnished the answer to that argument. At pages 11 to 13 of their Brief, they correctly point out that the policy of the Supreme Court is not "merely to give the defeated party in the Court of Appeals another hearing" or to rectify asserted errors which are important only to the parties in the particular case at bar. Thus, respondents have recognized that the discussion of the conflict which exists between the various Circuits as to the interpretation of Section 103, and the resulting disparity in the treatment of patents by the various Courts, was relevant and even necessary to establish that more is involved in the present Petition than the merits of a single patent case.

4. The merits of the case are irrelevant at this stage.

At pages 11 and 12 of their Brief, respondents argue that petitioner's case is without merit, and that the Court of Appeals correctly ruled the patent invalid. Such an argument is inappropriate to a determination of the present issue as to whether the Petition should

be granted. If and when certiorari is granted, the merits of the case can be fully argued in the Briefs.

However, we feel compelled to comment upon the statement which is made repeatedly in respondent's Brief[4] that the Court of Appeals "did not disturb" the District Court's ruling that the patent in suit had not been infringed by respondents, and upon the conclusion which respondents draw therefrom[5] that, since petitioner did not raise the issue of infringement in the Petition for Certiorari, the District Court's ruling "stands as an adjudication against it."

Since the Court of Appeals expressly stated that it was not ruling upon the issue of infringement,[6] that issue is not involved at the present stage of the case. If certiorari is granted and the decision of the Court of Appeals on the issue of validity is reversed, the case will obviously have to be remanded to the Circuit Court for a ruling on the issue of infringement, which was previously presented to that Court but not passed upon.

It is also interesting to note that respondents state[7] that the prior art "directly suggested" the substitution of materials which the patentee made. The Court of Appeals did not so find, but could only go so far as to state that the prior art "must have" suggested such a substitution.[8] That the prior art did not *actually* suggest any such substitution is conclusively shown by

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[4] Pages 1, 3 and 11.

[5] At page 11 of their Brief.

[6] A-28.

[7] At pages 4 to 5 of their Brief.

[8] A-27.

the established fact that respondent Burndy, with all this prior art before it, had experimented for years in unsuccessful attempts to provide a practical pre-insulated connector.

Conclusion

The Petition should be granted.

Respectfully submitted,

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